

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-081-E - ORDER NO. 97-169  
MARCH 5, 1997

IN RE: Request of Lockhart Power Company for     ) ORDER  
Pre-Approval of a Refund Procedure.             )  
                                                           )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the February 25, 1997 request of Lockhart Power Company (Lockhart) for approval of a refund procedure. It appears that on March 10, 1995, a group of eight (8) municipal customers of Duke Power Company (Duke) filed a complaint against Duke with the Federal Energy Regulatory Commission (FERC) alleging that Duke's Schedule 10 rates were unjust, unreasonable, and unduly discriminatory. On April 19, 1995, Lockhart filed an unopposed Motion to Intervene. On December 7, 1995, the FERC issued an Order establishing hearing procedures to address the matter and also establishing a refund effective date of May 9, 1995.

On August 30, 1996, Duke filed a Settlement Agreement with the FERC. As a part of this Agreement, new Rate Schedules 10-A were filed with the FERC to become effective August 1, 1996. These new settlement rates have been billed by Duke since August 1, 1996. The Settlement Agreement also provided for a refund to Duke's Schedule 10 customers of which Lockhart will receive

\$775,943. The effective period for the refund is a fifteen-month period of May, 1995 through July, 1996. The only portion of the refund that is presently unknown is the interest that will accrue on the above amount through the actual payment date.

In keeping with the refund methodology as approved by the Commission in prior instances, Lockhart proposes to refund to its Retail Customers their share of this refund plus all interest received, on the next month's billing immediately following its receipt of the refund, by flowing the full Retail share through its Purchased Power Adjustment Clause. The Retail class will receive a total refund of \$455,911.90 plus interest.

Lockhart requests that the Commission approve this refund methodology in advance of the actual receipt of the refund, so that the process may be expedited without delay. Lockhart states that upon implementation, it will notify the Commission in writing that the refund process has been accomplished.

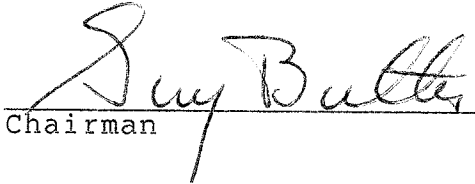
The Commission has examined this matter, and agrees with the refund methodology of Lockhart as filed. Lockhart shall notify the Commission in writing once the refund process has been accomplished.

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This Order shall remain in full force and effect until  
further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)